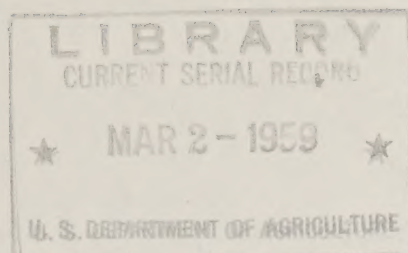


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JULY 23, A. M.

# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



AOD - 43 JULY 1958

Another year of high agricultural output seems assured at mid-summer.

July 1 conditions pointed to a record-equalling crop production for 1958. An increase in yields per acre is expected to maintain output, even though acreage planted for harvest is smallest in 40 years. Among major crops, winter wheat is setting a new record and the total wheat crop is second largest; soybean acreage is a record; corn crop is below last year but above the 1947-56 average. On the other hand, sorghum and cotton acreage are well below last year. In addition to high crop production, sizeable storage stocks of many storable commodities will help keep supplies heavy.

Livestock production also continues high. Fall pig crop is expected to be up substantially and an increase in cattle numbers is under way. Dairy production is running about at last year's record level. Egg production will increase this fall, broiler output continues well ahead of 1957, but the 1958 turkey crop will be down.

FARM INCOME. Realized net of farm operators, annual rate basis, for first half of 1958 was over a fifth above revised figure for same period last year. Cash receipts were up 11%, boosted by 8% higher prices and 3% larger marketings. Marketings were increased by delay in sales of crops late last year. Farm production expenses also were up but not enough to cancel the gain in gross income.

LIVESTOCK. Some further decline in prices for fed cattle seems likely. This is likely to be accompanied by a further decline in feeder cattle prices, though they are likely to remain well above a year earlier this fall.

Hog prices this fall are likely to average about the same as last fall with about the usual seasonal decline expected. This spring's pig crop, which will provide most of this fall's marketings, is 2% larger than that of last year.

DAIRY. Production of milk the first half of 1958 ran just a shade under 1957. Prices for milk and butterfat in mid-June were 3% below a year earlier but continued above average in relation to feed prices...are likely to remain so the rest of 1958. Compared with prices of meat animals, however, milk prices are likely to stay below average through this year.

EGGS. About 10% more chicks probably are being hatched for laying flock replacement this year than last. This points to larger egg production this fall than a year



earlier. In the next 2 or 3 months, prices are likely to rise seasonally...but the rise this fall may be less than in the fall of 1957. By the year's end, prices may be below a year earlier.

**TURKEYS.** The 1958 crop is likely to be down about 8% from last year. Marketings so far in 1958 have been almost a fifth below 1957 but large supplies from storage have prevented prices from rising more than about 2¢ a pound above a year ago.

**SOYBEANS.** Farmers will harvest about 13% more acres of soybeans than in 1957 if they carry out their July 1 intentions. First production estimate of the new crop will be released August 11.

Crushings from the record 1957 crop are highest on record and exports are running close to last year's peak rates. Carryover of beans next October 1 is expected to be 25-30 million bushels. This would be 15-20 million above year earlier, and 5-6% of 1957 crop.

**FEED.** July crop report indicated feed grain production in 1958 will be down 6% from last year. But total supply for 1958-59 will be a record because of big increase in carryover. Large protein feed supplies also are expected because of likelihood of heavy soybean crop. Because of increasing hog production, feed requirements in 1958-59 may be up moderately from this year.

**WHEAT.** A big increase in carryover is likely during the 1958-59 marketing year. The 1958 crop, estimated at 1,343 million bushels on July 1, tops the 1957 crop by 42% and is second largest on record. It exceeds probable domestic use and exports by 375 million bushels.

Seasonal price decline this year probably will be larger than usual. Reasons: the big crop, lower price support rate, unusually large quantity of wheat not eligible for price support.

**FRUIT.** Larger prospective crops of peaches, apples, grapes and strawberries boost total deciduous fruit output for 1958 above last year. However, supplies of citrus remaining from the 1957-58 crops are much smaller than a year ago and supplies of canned and frozen juices and fruits are generally lighter. Demand continues generally strong from both consumers and processors.

**VEGETABLES.** Supplies of processed items are expected to total smaller than last year. Acreage planted to processing crops is lower, carryover of canned vegetables is down moderately and stocks of frozen vegetables are off substantially.

Potato prices are likely to remain relatively low this summer. The summer crop is up 11% from last year. Acreage for fall harvest is up 7%.

**TOBACCO.** Supplies of most grades for 1958-59 are expected to continue ample. Total crop this year is expected to be only a little above 1957 when it was smallest since 1943. But carryovers of most kinds are fairly large.